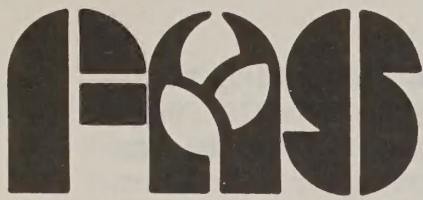


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# REPORT

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Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 51-82

WASHINGTON, Dec. 22--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## EC TRADE NOTES

In the EUROPEAN COMMUNITY, soft wheat export authorizations to all zones totaled 5.6 million tons through the third week of December, more than twice the level of 2.7 million authorized over the same period last year. Some 329,000 tons have been authorized for Latin America this year, compared with only 133,000 tons a year ago. With falling world wheat prices, EC export restitutions (subsidies) have been rising steadily in December to the current level of about \$73 per ton--20 percent higher than at the end of November. Since last month, the EC wheat export forecast has been increased to 17 million tons for July 1982-June 1983, 10 percent above last year's level and nearly twice the level of four years ago. EC wheat flour sales, with an export restitution of about \$96 per ton, also have been strong over the past month, particularly to the USSR.

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In the UNITED STATES, exports of whole broilers during the first 10 months of 1982 were down 69 percent in volume from the same period of 1981, and the decrease in value was \$110 million. The drop in U.S. sales to the Middle East has accounted for most of this decline. EC whole chicken subsidies, which are currently about \$190 per ton or 9 cents per pound, have been the fundamental cause of the pre-emption of the United States from the huge Middle Eastern market for whole chickens. As a result, this year the United States has obtained less than one percent of whole chicken export sales in the Middle East, a market worth at least \$650 million.

Contrary to the EC rationale for export subsidies, which states that subsidies exist only to remove unintentional surpluses, the French have developed an entire poultry export industry which produces broilers that do not even meet EC requirements for domestic consumption. Aided by an EC export subsidy that has been increased 52 percent since the beginning of 1982, French exporters have led price declines in the Middle East throughout this year. Whole broiler prices in the Middle East are now far below levels at which U.S. exporters can compete.

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Recent reports indicate FRANCE and CANADA are attempting to increase grain sales to Portugal by offering favorable credit terms. France reportedly signed a one-year credit agreement with Portugal--a first--for the sale of \$50 million worth of French wheat, barley and sugar. Furthermore, Canada reportedly may have offered Portugal \$200 million in annual credits for purchases of Canadian grain. The United States supplied more than 90 percent of the Portuguese wheat market in recent years.

#### GRAIN AND FEED

MEXICO's coarse grain production in 1982 is expected to total about 11.3 million tons, a decrease of 33 percent from the record level produced in 1981, according to the U.S. agricultural counselor in Mexico City. Corn production in 1982 is reported at 7.5 million tons, a 40-percent decline from last year's level, and sorghum production is expected to total 3.5 million tons, a decrease of 13 percent from the 1981 crop. Abnormally dry conditions during the growing season severely reduced crop prospects. Corn is reported to have yielded less than 1 ton per hectare in many regions. This year's drought reduced corn harvested area by an estimated 26 percent, or 2.15 million hectares, from the 1981 level.

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The renegotiated AUSTRALIAN-IRAQI grain agreement raised annual Australian commitments from the previous 400,000-600,000 tons of wheat annually to 500,000-750,000 tons annually, despite a drought-reduced Australian wheat crop. The earlier agreement was due to expire by the end of 1982. In addition, recent Australian sales include 1 million tons each to the USSR and Egypt.

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ARGENTINA's wheat exports during the December-November 1982/83 marketing year could climb to about 8 million tons, more than double the 1981/82 exports of 3.6 million tons. Record grain output, currently projected at over 30 million tons, will present Argentina with a major export challenge this season. Given record grain production in Canada, the European Community and the United States, an exceptionally large Argentine wheat crop of about 12 million tons--1 million above previous record levels--will likely be the most difficult to market. To date, some new crop wheat sales have been made to the USSR, Iran, Saudi Arabia and China. However, sales activity still lags behind seasonal levels considerably. Argentina has only kept minimal stock levels in the past and surplus wheat would be expected to move into export channels.

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The IVORY COAST, SENEGAL and MAURITANIA are expected to sign government-to-government agreements with Thailand for rice imports in 1983. The Ivory Coast recently sent a mission to Burma, Thailand and Pakistan to establish direct relations with Asian suppliers. The expected agreement would be the first by the Ivory Coast for rice, since rice imports have traditionally been sold through French traders.

A Mauritanian rice buying mission is expected to arrive in Bangkok in late December to negotiate a purchase for 80,000 tons of rice. This would be the first government-to-government rice purchase by Mauritania. The Senegalese government is also expected to negotiate a purchase protocol for Thai rice in 1983--possibly 72,000 tons over the 400,000-ton protocol of 1982.

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For further items on grain and feed, see EC Trade Notes section.

#### OILSEEDS AND PRODUCTS

YUGOSLAVIA has approved the importation of 120,000 tons of vegetable oil, 400,000 tons of soybeans for domestic crushing and 100,000 tons of soybean meal during October 1982-September 1983. Soybean imports of this amount would be more than double the current USDA estimate of 180,000 tons. Crush of domestically produced oilseeds is expected to provide only one-third of Yugoslavia's vegetable oil requirements, and a 20-percent increase in Yugoslavia's expected meat exports in 1982/83 also necessitates higher imports.

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PHILIPPINE copra production in 1983 is forecast at 2.2 million tons, slightly more than in 1982. Coconut oil production will also increase slightly to about 1.27 million tons, with exports now expected to total 950,000 tons. The Philippine government is attempting to increase its control over exports by restricting the amount of coconut oil which may be exported by the private millers. The restrictions are not export bans, but do affect who may export and when.

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ARGENTINA's 1983 sunflowerseed crop will total 2 million tons, with harvested area at 1.77 million hectares, according to the U.S. agricultural attache in Buenos Aires. The 1982 crop totaled 1.8 million tons. The record yields of the 1982 crop, which provided good returns to producers, have resulted in an estimated 13-percent increase in planted area. To date, weather and moisture conditions have been favorable.

#### DAIRY, LIVESTOCK AND POULTRY

Production of tallow and grease in MAJOR PRODUCING COUNTRIES is expected to fall about 1 percent in 1982 because of unfavorable prospects for beef production in many countries. A continued decline is expected in 1983.

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In the United States, which accounts for more than half of the world total, production is expected to decline slightly as a result of sharply reduced hog slaughter. With prospects for lower beef and pork production in 1983, it is likely that U.S. tallow and grease production will decline again. Cattle slaughter and tallow production in Argentina are expected to be low in both 1982 and 1983 as efforts are made to rebuild herds.

In the European Community, current beef surpluses and uncertainty about long-term price prospects are also limiting expansion of tallow production. Despite a higher rate of slaughter in the USSR, declines in average carcass weights have tended to cut 1982 tallow production. An ongoing drought in Australia is causing above normal slaughter rates during 1982. Of course, rain could reverse that situation and cause a temporary decline in tallow production. Rapidly rising costs are causing beef producers in New Zealand to limit expansion plans. Tallow production is as follows in 1,000 tons:

	1980	1981 1/	1982 2/	1983 2/
United States 3/	3,157	3,280	3,240	3,180
Canada	204	213	215	220
Argentina	302	316	278	282
EC-10	1,019	975	969	974
USSR	345	355	350	355
Australia	334	309	335	290
New Zealand	112	118	120	118
World 4/	6,171	6,273	6,218	6,137

1/ Preliminary. 2/ Forecast. 3/ October-September year, includes edible and inedible tallow. 4/ Total of 45 countries. See FL&P 2-82, September 1982.

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For further items on poultry, see EC Trade Notes section.

## TOBACCO

MEXICO's tobacco production to be harvested in early 1983 is forecast at 65,000 tons (farm sales weight), 15 percent below the 1982 level. The lower anticipated harvest has resulted from a 4-percent area decline and an 11-percent yield drop as a result of the continuing drought in the main producing area. In November, TABAMEX, the governmental agency that controls the tobacco industry, granted growers another increase in prices, ranging from 37 to 85 percent above 1982 levels, according to tobacco type.

## SUGAR

In the SOVIET UNION, raw sugar production from beets for 1982/83 is estimated at 7.2 million tons, compared with just over 6.4 million tons in 1981/82, according to the U.S. agricultural counselor in Moscow. Sugar beet area is revised downward from the earlier estimate to 3.6 million hectares, from which 79 million tons of beets are estimated to have been harvested. State procurements of beets are estimated at 70 million tons.

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## VEGETABLES

The 1982 harvest of tomatoes for processing in GREECE is estimated at 1,193,000 tons, marginally above last year. Area planted in 1982 increased nearly 7 percent to 23,304 hectares. Yields, however, were 6 percent below last year's harvest. Flooding in the higher yielding areas of the Kopaïs and Domokos plains in central Greece resulted in the yield decline in 1982.

### SCHEDULE OF ESTIMATE RELEASES--1983

Release dates in 1983 for world production estimates for selected commodities through the Weekly Roundup of World Production and Trade are as follows:

January	19	World Tree Nut Production
	26	World Deciduous Fruit and Grape Production
February	16	World Cocoa Production
March	2	World Poultry and Egg Production
	2	World Livestock Numbers and Red Meat Production
	9	World Dairy Production
	9	World Coffee Production
April	6	World Tea Production
	20	World Pineapple Production
May	4	World Sugar Production
	4	Southern Hemisphere Dried Fruit Production
	25	World Tobacco Production
June	2	World Poultry and Egg Production
	2	World Livestock Numbers and Red Meat Production
	8	World Coffee Production
	8	Southern Hemisphere Citrus Production
July		No reports scheduled
August		No reports scheduled
September	8	World Poultry and Egg Production
	8	World Livestock Numbers and Red Meat Production
	8	World Almond and Filbert Production
	14	World Coffee Production
	14	World Tea Production
	14	World Dairy Production
	14	Northern Hemisphere Apple and Pear Production
21	World Honey Production	

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October	13	World Cocoa Production
	19	World Walnut and Pistachio Production
	26	World Sugar Production
November	2	Northern Hemisphere Dried Prune and Raisin Production
	23	World Tobacco Production
	23	World Poultry and Egg Production
	23	World Livestock Numbers and Red Meat Production
	30	Northern Hemisphere Citrus Production
	30	World Dairy Production
December	14	World Coffee Production

In contrast to 1982, summaries of world grain, oilseed and cotton production in 1983 will be released only in the monthly FAS circular World Crop Production. More comprehensive coverage will continue to be provided in the regular series of FAS commodity situation circulars. Commodity situation and World Crop Production circulars may be subscribed to by contacting:

Information Services Staff  
Room 5918 South Building  
Foreign Agricultural Service  
U.S. Department of Agriculture  
Washington, D.C. 20250

Release dates for the World Crop Production reports are as follows:

January	13	May	10	September	12
February	10	June	10	October	12
March	10	July	12	November	10
April	11	August	11	December	12

Note: There will be no Weekly Roundup of World Production and Trade on Dec. 29.

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## Selected International Prices

Item	: December 21, 1982		: Change from		: A year	
	:		: previous week		: ago	
	\$ per MT	\$ per bu.	\$ per MT		\$ per MT	
ROTTERDAM PRICES 1/						
Wheat:						
Canadian No. 1 CWRS-13.5%*	202.50	5.51	-0-		217.00	
U.S. No. 2 DNS/NS: 14%....	184.00	5.01	--		194.00	
U.S. No. 2 DHW/HW: 13.5%**	N.Q.	--	--		199.00	
U.S. No. 2 S.R.W.....	155.50	4.23	-1.50		178.00	
U.S. No. 3 H.A.D*.....	175.00	4.76	+1.00		192.00	
Canadian No. 1 A: Durum*..	199.00	5.42	-1.00		217.00	
Feed grains:						
U.S. No. 3 Yellow Corn....	117.00	2.98	-.50		118.75	
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--		134.00	
Feed Barley 3/.....	N.Q.	--	--		N.Q.	
Soybeans and meal:						
U.S. No. 2 Yellow.....	231.25	6.29	-1.50		246.00	
Brazil 47/48% SoyaPellets 4/	231.50	--	+1.50		N.Q.	
U.S. 44% Soybean Meal.....	218.00	--	+2.00		229.50	
U.S. FARM PRICES 5/						
Wheat.....	126.76	3.45	--		127.13	
Barley.....	61.55	1.34	-.92		75.32	
Corn.....	86.21	2.19	-.39		89.36	
Sorghum.....	89.29	4.05 6/	+1.10		87.30	
Broilers 7/.....	940.92	--	+8.60		868.17	
EC IMPORT LEVIES						
Wheat 8/.....	109.65	2.98	+3.81		81.55	
Barley.....	101.34	2.21	+2.51		75.70	
Corn.....	105.68	2.63	+3.78		109.40	
Sorghum.....	94.82	2.41	+3.43		94.55	
Broilers 9/.....	303.00	--	+5.00 10/		248.00	
EC INTERVENTION PRICES 11/						
Common wheat(feed quality)	182.52	4.97	+3.17		189.19	
Bread wheat.....	201.09	5.47	+3.49		218.67	
Barley and all						
other feed grains.....	182.52	--	+3.17		189.19	
Broilers 12/.....	1157.00	--	+24.00		--	
EC EXPORT RESTITUTIONS (subsidies)						
Wheat.....	76.98	2.10	+4.24		64.30	
Wheat flour.....	N.Q.	N.Q.	N.Q.		N.Q.	
Barley.....	73.11	1.59	+.61		41.82	
Broilers 9/.....	195.00	--	+3.00 10/		145.00	
Sugar, refined 13/.....	337.00	--	+18.00		--	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Change in dollar value of broiler levy or restitution generally reflects currency fluctuations and not change in level set by EC. 11/ Basically the intervention price is the EC farm price support, determined annually. 12/ F.o.b. price for whole broilers at West German border. 13/ Dec. 8-15, based on a maximum subsidy of 35.348 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis January delivery. \* April-May. \*\* HRW 13%.

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